

**Introduced by Senator Cogdill**

February 25, 2009

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An act to amend Section 1936.01 of the Civil Code, relating to passenger vehicle rentals.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 348, as introduced, Cogdill. Passenger vehicle rentals: advertising.

Existing law requires a passenger vehicle rental company to only advertise a rental rate that includes the entire amount, except taxes, any customer facility charge, and any mileage charge, that a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies. Existing law authorizes the rental company to, when imposing charges for a rental, separately state the rental rate, taxes, customer facility charge, if any, airport concession fee, if any, tourism commission assessment, if any, and a mileage charge, if any.

This bill would specifically exclude the airport concession fee, if any, and tourism commission assessment, if any, from the entire amount that the rental company must include in its advertised rental rate.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 1936.01 of the Civil Code is amended  
2     to read:

3     1936.01. (a) For the purpose of this section, the following  
4     definitions shall apply:

5     (1) "Airport concession fee" means a charge collected by a  
6     rental company from a renter that is the renter's proportionate

1 share of the amount paid by the rental company to the owner or  
2 operator of an airport for the right or privilege of conducting a  
3 vehicle rental business on the airport's premises.

4 (2) "Quote" means an estimated cost of rental provided by a  
5 rental company or a third party to a potential customer by  
6 telephone, in-person, computer-transmission, or other means, that  
7 is based on information provided by the potential customer and  
8 used to generate an estimated cost of rental, including, but not  
9 limited to, any of the following: potential dates of rental, locations,  
10 or classes of car.

11 (3) "Tourism commission assessment" means the charge  
12 collected by a rental company from a renter that has been  
13 established by the California Travel and Tourism Commission  
14 pursuant to Section 13995.65 of the Government Code.

15 (b) Notwithstanding subdivision (n) of Section 1936, the  
16 following provisions shall apply:

17 (1) A rental company shall only advertise a rental rate that  
18 includes the entire amount, except taxes, a customer facility charge,  
19 if any, *the airport concession fee, if any, tourism commission*  
20 *assessment, if any*, and a mileage charge, if any, that a renter must  
21 pay to hire or lease the vehicle for the period of time to which the  
22 rental rate applies.

23 (2) When providing a quote, or imposing charges for a rental,  
24 the rental company may separately state the rental rate, taxes,  
25 customer facility charge, if any, airport concession fee, if any,  
26 tourism commission assessment, if any, and a mileage charge, if  
27 any, that a renter must pay to hire or lease the vehicle for the period  
28 of time to which the rental rate applies. A rental company may not  
29 charge in addition to the rental rate, taxes, a customer facility  
30 charge, if any, airport concession fee, if any, tourism commission  
31 assessment, if any, and a mileage charge, if any, any fee that must  
32 be paid by the renter as a condition of hiring or leasing the vehicle,  
33 such as, but not limited to, required fuel or airport surcharges other  
34 than customer facility charges and airport concession fees.

35 (3) If customer facility charges, airport concession fees, or  
36 tourism commission assessments are imposed, the rental company  
37 shall do each of the following:

38 (A) At the time the quote is given, provide the person receiving  
39 the quote with a good faith estimate of the rental rate, taxes,  
40 customer facility charge, if any, airport concession fee, if any, and

1 tourism commission assessment, if any, as well as the total charges  
2 for the entire rental. The total charges, if provided on an Internet  
3 Web site, shall be displayed in a typeface at least as large as any  
4 rental rate disclosed on that page and shall be provided on a page  
5 that the person receiving the quote may reach by following links  
6 through no more than two Internet Web site pages, including the  
7 page on which the rental rate is first provided. The good faith  
8 estimate may exclude mileage charges and charges for optional  
9 items that cannot be determined prior to completing the reservation  
10 based upon the information provided by the person.

11 (B) At the time and place the rental commences, clearly and  
12 conspicuously disclose in the rental contract, or that portion of the  
13 contract that is provided to the renter, the total of the rental rate,  
14 taxes, customer facility charge, if any, airport concession fee, if  
15 any, and tourism commission assessment, if any, for the entire  
16 rental, exclusive of charges that cannot be determined at the time  
17 the rental commences. Charges imposed pursuant to this  
18 subparagraph shall be no more than the amount of the quote  
19 provided in a confirmed reservation, unless the person changes  
20 the terms of the rental contract subsequent to making the  
21 reservation.

22 (C) Provide each person, other than those persons within the  
23 rental company, offering quotes to actual or prospective customers  
24 access to information about customer facility charges, airport  
25 concession fees, and tourism commission assessments as well as  
26 access to information about when those charges apply. Any person  
27 providing quotes to actual or prospective customers for the hire  
28 or lease of a vehicle from a rental company shall provide the quotes  
29 in the manner described in subparagraph (A).

30 (4) In addition to the rental rate, taxes, customer facility charges,  
31 if any, airport concession fees, if any, tourism commission  
32 assessments, if any, and mileage charges, if any, a rental company  
33 may charge for an item or service provided in connection with a  
34 particular rental transaction if the renter could have avoided  
35 incurring the charge by choosing not to obtain or utilize the  
36 optional item or service. Items and services for which the rental  
37 company may impose an additional charge, include, but are not  
38 limited to, optional insurance and accessories requested by the  
39 renter, service charges incident to the renter's optional return of  
40 the vehicle to a location other than the location where the vehicle

1 was hired or leased, and charges for refueling the vehicle at the  
2 conclusion of the rental transaction in the event the renter did not  
3 return the vehicle with as much fuel as was in the fuel tank at the  
4 beginning of the rental. A rental company also may impose an  
5 additional charge based on reasonable age criteria established by  
6 the rental company.

7 (5) A rental company may not charge any fee for authorized  
8 drivers in addition to the rental charge for an individual renter.

9 (6) If a rental company states a rental rate in print advertisement  
10 or in a telephonic, in-person, or computer-transmitted quote, the  
11 rental company shall clearly disclose in that advertisement or quote  
12 the terms of any mileage conditions relating to the rental rate  
13 disclosed in the advertisement or quote, including, but not limited  
14 to, to the extent applicable, the amount of mileage and gas charges,  
15 the number of miles for which no charges will be imposed, and a  
16 description of geographic driving limitations within the United  
17 States and Canada.

18 (7) (A) When a rental rate is stated in an advertisement, in  
19 connection with a car rental at an airport where a customer facility  
20 charge is imposed, the rental company shall clearly disclose the  
21 existence and amount of the customer facility charge. For the  
22 purposes of this subparagraph, advertisements include radio,  
23 television, other electronic media, and print advertisements. If the  
24 rental rate advertisement is intended to include transactions at more  
25 than one airport imposing a customer facility charge, a range of  
26 charges may be stated in the advertisement. However, all rental  
27 rate advertisements that include car rentals at airport destinations  
28 shall clearly and conspicuously include a toll-free telephone  
29 number whereby a customer can be told the specific amount of  
30 the customer facility charge to which the customer will be  
31 obligated.

32 (B) If any person or entity other than a rental car company,  
33 including a passenger carrier or a seller of travel services, advertises  
34 a rental rate for a car rental at an airport where a customer facility  
35 charge is imposed, that person or entity shall, provided they are  
36 provided with information about the existence and amount of the  
37 charge, to the extent not specifically prohibited by federal law,  
38 clearly disclose the existence and amount of the charge. If a rental  
39 car company provides the person or entity with rental rate and  
40 customer facility charge information, the rental car company is

1 not responsible for the failure of that person or entity to comply  
2 with this subparagraph.

3 (8) If a rental company delivers a vehicle to a renter at a location  
4 other than the location where the rental company normally carries  
5 on its business, the rental company may not charge the renter any  
6 amount for the rental for the period before the delivery of the  
7 vehicle. If a rental company picks up a rented vehicle from a renter  
8 at a location other than the location where the rental company  
9 normally carries on its business, the rental company may not charge  
10 the renter any amount for the rental for the period after the renter  
11 notifies the rental company to pick up the vehicle.

12 (9) Except as otherwise permitted pursuant to the customer  
13 facility charge, a rental company may not separately charge, in  
14 addition to the rental rate, a fee for transporting the renter to the  
15 location where the rented vehicle will be delivered to the renter.

16 (c) A renter may bring an action against a rental company for  
17 the recovery of damages and appropriate equitable relief for a  
18 violation of this section. The prevailing party shall be entitled to  
19 recover reasonable attorney's fees and costs.

20 (d) Any waiver of any of the provisions of this section shall be  
21 void and unenforceable as contrary to public policy.

22 (e) This section shall become operative only if the Secretary of  
23 Business, Transportation and Housing provides notice to the  
24 Legislature and the Secretary of State and posts notice on its  
25 Internet Web site that the conditions described in Section 13995.92  
26 of the Government Code have been satisfied.